

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1837

To amend the Internal Revenue Code of 1986 to provide that low-income housing shall not be ineligible for the larger low-income housing credit by reason of assistance provided under the HOME Investment Partnerships Act, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 1993

Mr. RANGEL introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide that low-income housing shall not be ineligible for the larger low-income housing credit by reason of assistance provided under the HOME Investment Partnerships Act, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. LOW-INCOME HOUSING NOT TREATED AS FED-**  
2 **ERALLY SUBSIDIZED BY REASON OF ASSIST-**  
3 **ANCE UNDER HOME INVESTMENT PARTNER-**  
4 **SHIPS ACT.**

5 (a) IN GENERAL.—Subparagraph (D) of section  
6 42(i)(2) of the Internal Revenue Code of 1986 (relating  
7 to determination of whether building is federally sub-  
8 sidized) is amended by inserting before the period “or as-  
9 sistance provided under the HOME Investment Partner-  
10 ships Act”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 subsection (a) shall apply to—

13 (1) determinations under section 42 of the In-  
14 ternal Revenue Code of 1986 with respect to housing  
15 credit dollar amounts allocated from State housing  
16 credit ceilings for years after 1992, or

17 (2) buildings placed in service after December  
18 31, 1992, to the extent paragraph (1) of section  
19 42(h) of such Code does not apply to any building  
20 by reason of paragraph (4) thereof, but only with re-  
21 spect to bonds issued after such date.

22 **SEC. 2. TREATMENT OF PARTNERSHIP INVESTMENT EX-**  
23 **PENSES UNDER MINIMUM TAX.**

24 (a) GENERAL RULE.—Subparagraph (A) of section  
25 56(b)(1) of the Internal Revenue Code of 1986 (relating  
26 to limitation on deductions) is amended to read as follows:

1           “(A) DISALLOWANCE OF CERTAIN DEDUC-  
2           TIONS.—

3           “(i) IN GENERAL.—No deduction shall  
4           be allowed—

5                     “(I) for any miscellaneous item-  
6                     ized deduction (as defined in section  
7                     67(b)), or

8                     “(II) for any taxes described in  
9                     paragraph (1), (2), or (3) of section  
10                    164(a).

11           “(ii) TREATMENT OF PARTNERSHIP  
12           INVESTMENT EXPENSES.—Subclause (I) of  
13           clause (i) shall not apply to the taxpayer’s  
14           distributive share of the expenses described  
15           in section 212 of any partnership; except  
16           that the aggregate amount allowed as a de-  
17           duction by reason of this sentence shall not  
18           exceed the lesser of (I) the aggregate ad-  
19           justed investment income of the taxpayer  
20           from partnerships, or (II) the excess of the  
21           aggregate of the taxpayer’s distributive  
22           shares of such expenses over 2 percent of  
23           adjusted gross income. For purposes of the  
24           preceding sentence, the term ‘adjusted in-  
25           vestment income’ means investment income

1 (as defined in section 163(d)(4)(B)) re-  
2 duced by investment interest (as defined in  
3 section 163(d)(3)).

4 “(iii) TREATMENT OF CERTAIN  
5 TAXES.—Subclause (II) of clause (i) shall  
6 not apply to any amount allowable in com-  
7 puting adjusted gross income.”

8 (b) EFFECTIVE DATE.—The amendment made by  
9 subsection (a) shall apply to taxable years beginning after  
10 December 31, 1993.

11 **SEC. 3. SPECIAL RULES FOR RENTAL USE OF DWELLING**  
12 **FOR LESS THAN 15 DAYS PER YEAR.**

13 (a) IN GENERAL.—Section 280A of the Internal Rev-  
14 enue Code of 1986 is amended by striking subsection (g)  
15 and inserting:

16 “(g) SPECIAL RULE FOR CERTAIN RENTAL USE.—  
17 Notwithstanding any other provision of this section or sec-  
18 tion 183, if the principal residence of the taxpayer is actu-  
19 ally rented for less than 15 days during the taxable year  
20 for the purpose of providing accommodations to visitors  
21 to an event for which commercial rental accommodations  
22 in the community holding the event are not sufficient to  
23 reasonably provide more than one-half of the accommoda-  
24 tions necessary (and the rental income received by the tax-  
25 payer for any visitor is not greater than a reasonable rent-

1 al rate charged per individual guest by commercial rental  
2 accommodations), then—

3 “(1) no deduction otherwise allowable under  
4 this chapter because of the rental use of such dwell-  
5 ing unit shall be allowed, and

6 “(2) the income derived from such use for the  
7 taxable year shall not be included in the gross in-  
8 come of such taxpayer under section 61.

9 “(h) REGULATIONS.—The Secretary shall prescribe  
10 such regulations as may be appropriate to carry out the  
11 purposes of this section, including regulations providing  
12 such de minimis rules as the Secretary may deem appro-  
13 priate.”

14 (b) EFFECTIVE DATE.—The amendment made by  
15 subsection (a) shall apply to taxable years beginning after  
16 the date of the enactment of this Act.

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